

Senate File 459

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1 3 AN ACT
1 4 RELATING TO IOWA AGRICULTURAL INDUSTRY FINANCE CORPORATIONS,
1 5 BY PROVIDING FOR THE ASSIGNMENT OF AN IOWA AGRICULTURAL
1 6 INDUSTRY FINANCE LOAN, AND PROVIDING AN EFFECTIVE DATE.
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1 8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 10 Section 1. Section 15E.208, subsection 3, paragraph b,
1 11 Code 2003, is amended to read as follows:
1 12 b. The Iowa agricultural industry finance loan shall be
1 13 repayable upon terms and conditions negotiated by the parties.
1 14 (1) The repayment period shall begin six years following
1 15 the date when the Iowa agricultural industry finance loan is
1 16 awarded and end twenty-five years after the date that the
1 17 repayment period begins.
1 18 (2) At least four percent of the amount of the Iowa
1 19 agricultural industry finance loan due shall be paid each year
1 20 to the department. However, the department may accept an
1 21 assignment of a loan made by the corporation providing
1 22 financing to an eligible person pursuant to section 15E.209.
1 23 The assigned loan shall grant to the department the
1 24 corporation's right to payment under the loan. Any such
1 25 assignment shall be made by an agreement executed by the
1 26 department and the corporation. The assignment agreement
1 27 shall be subject to all of the following:
1 28 (a) The period of assignment may be for any number of
1 29 years. The department shall apply to the amounts due under
1 30 the Iowa agricultural industry finance loan the principal,
1 31 interest, and fees which the eligible person is obligated to
1 32 pay under the assigned loan. The total amount of the
1 33 principal, interest, and fees that the eligible person is
1 34 obligated to pay to the department during the period of
1 35 assignment plus any other repayment of the Iowa agricultural
2 1 industry finance loan made by the corporation to the
2 2 department must equal the amount of the Iowa agricultural
2 3 industry finance loan that the corporation would otherwise be
2 4 obligated to repay the department during that same period.
2 5 However, the agreement may provide that during any year of the
2 6 assignment period the eligible person may pay more or less
2 7 than four percent of the amount of the Iowa agricultural
2 8 industry finance loan that the corporation would otherwise be
2 9 obligated to repay during that year.
2 10 (b) The assignment agreement shall contain conditions
2 11 relating to the right of payment assigned to the department
2 12 which may include securing the payment obligation in any
2 13 manner that allows the department to enforce a debt against
2 14 the property of the eligible person. The department shall not
2 15 have a right of recourse against the corporation for any
2 16 amount required to be applied from the assigned loan to the
2 17 Iowa agricultural industry finance loan.
2 18 (3) The corporation shall not be subject to a prepayment
2 19 penalty.
2 20 Sec. 2. EFFECTIVE DATE. This Act, being deemed of
2 21 immediate importance, takes effect upon enactment.
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MARY E. KRAMER
President of the Senate

CHRISTOPHER C. RANTS
Speaker of the House

2 33 I hereby certify that this bill originated in the Senate and
2 34 is known as Senate File 459, Eightieth General Assembly.
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MICHAEL E. MARSHALL
Secretary of the Senate

3 5 Approved _____, 2003

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3 9 THOMAS J. VILSACK
3 10 Governor
